

STATE INSURANCE & RISK MANAGEMENT BOARD

Minutes of Meeting No. 303

June 10, 2014

10:00 A.M.

The Three Hundred Third meeting of the State Insurance and Risk Management Board was held on Tuesday, June 10, 2014 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT.

Acting Chairperson Savitsky presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Linda R. Savitsky, Acting Chairperson
Mr. Seth T. Mahler, Vice Chairperson
Mr. Robert J. Broomall
Mr. George A. Dagon, Jr.
Ms. Susan M. Donatelli
Mr. Stephen Fontana
Mr. Daniel J. Friedman
Mr. Wallace J. Irish
Ms. Marjorie F.B. Lemmon
Mr. Patrick Mahon
Mr. Michael T. McCormack
Ms. Martha Carlson, Deputy Comptroller

Department of Administrative Services/Insurance and Risk Management Board

Ms. Daria J. Cirish, Risk Manager
Ms. Eileen G. McNeil

Office of the Agent of Record

Mr. John Byrnes, President
Mr. Fred Tanguay, Vice President

*Approved
Linda R. Savitsky
Sept 9, 2014*

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1. Approval of the Minutes of Meeting No. 302 held on March 4, 2014 (Exhibit 1)

A motion was made by Mr. Fontana, seconded by Mr. Broomall and

VOTED: To approve the minutes of Meeting No. 302 held on March 4, 2014.

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Mr. Tanguay advised members that this year there were a number of unusually high fleet claim settlements and that the Board received an additional Deficiency Appropriation in the General Fund to cover the payment of these claims. He also noted that there will be a lapse of approximately \$1.7 million in the Special Transportation Fund due to lower than anticipated highway claim settlements.

Ms. Carlson suggested that Ms. Savitsky send a letter to O.P.M. and the Governor's Office notifying them that despite the Board's deficiency, the Board is returning approximately \$1.7 million to the Special Transportation Fund.

After a review of the payments, a motion was made by Mr. Irish, seconded by Mr. Fontana and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last meeting \$2,430,278.42.

3. Votes

- A) DESPP – Helicopter/Fixed Wing (Exhibit 3A)

Mr. Tanguay stated that the State Police received an army surplus helicopter in April. The State Police requested that it be scheduled on the existing policy for liability and hull coverage. Mr. Irish questioned why there is only a \$1 million limit of liability and no deductible for the hull coverage. After some discussion, the Board directed Mr. Tanguay to get quotes for higher liability limits and higher deductibles for hull. Mr. Tanguay will email the quotes to the members and coverage will be placed upon agreement from the Board.

A motion was made by Mr. Irish, seconded by Mr. Mahon and unanimously

VOTED: To table this discussion until Mr. Tanguay receives quotes for higher liability limits and a higher deductible for the hull coverage. The vote will be confirmed at the September 9, 2014 Board meeting.

3. B) UConn – Co-Generation Plant (Confirming) (Exhibit 4B)

Mr. Tanguay explained that there is an inter-connection agreement between Northeast Utilities and the University of Connecticut regarding the plant that generates power at UConn. The agreement requires specific types of insurance.

Mr. Tanguay advised that although the proposed rate is the same as expiring, the payroll increased from \$1.5 million to \$1.6 million, thus a slight increase in the bottom-line premium.

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3. B) UConn – Co-Generation Plant (Cont.)

Mr. Fontana asked if this policy could be pushed to July for future renewals so that the Board has time to discuss and vote prior to the renewal date. Mr. Tanguay will discuss changing the renewal date with UConn.

A motion was made by Fontana, seconded by Mr. Dagon and unanimously

VOTED: To place coverage as outlined in Exhibit 3B for a total premium of \$204,300.

4. Agent of Record Contract Discussion and Vote

Ms. Savitsky advised the Board that the contract for Agent of Record Services between the State and People's United Insurance Agency (R.C. Knox Division), expires on July 31, 2014. The contract allows for an extension of up to 5 years. One of the Board's concerns addressed by Mr. Tanguay was having a succession plan. Mr. Tanguay identified two individuals at People's United that would act as Mr. Tanguay's back-up in his absence. He stated that they both have public entity experience.

The Board also requested a proposed fee schedule for the next 5 years. Mr. Tanguay advised that no increase is proposed in FY 14/15; no increase in 15/16; a 4% increase in 16/17; a 4% increase in 17/18; and a 4% increase in 18/19.

Mr. Tanguay and Mr. Byrnes were excused from the meeting for rest of this dialogue.

A motion was made by Mr. Fontana, seconded by Mr. Broomall and unanimously

VOTED: To add this item as a vote on today's agenda.

The Board had a long discussion about extending the contract, the length of extension and the possibility of preparing an R.F.P.

After much discussion, a motion was made by Mr. Broomall, seconded by Ms. Carlson and

VOTED: To extend the contract between the State and People's United Insurance Agency for three years with the intent to open this up for discussion at the June 2016 meeting so that there is enough time to prepare an R.F.P. if so decided.

5. Any Other Matters to Properly Come Before the Board

Mr. Tanguay advised that the C.R.D.A. discovered two State-owned murals at the X.L. Center. A formal appraisal was done and they are valued at \$2 million each. Mr. Tanguay got them insured through F.M. Global's Property Policy during the renovations at the X.L. Center. These murals will be on loan to the City of Hartford and the City of Hartford will insure them while in their possession.

Mr. Tanguay also advised that UConn will be moving the West Hartford Campus to downtown Hartford in the fall of 2017. Mr. Tanguay and Ms. Cirish were involved in discussions regarding the insurance

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requirements. Once the project is completed, these State-owned buildings will be insured under the Board's Property Policy.

Ms. Cirish noted that there will be a State-wide Property Loss Control Seminar on July 28, 2014 presented by F.M. Global at the Department of Transportation.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Tuesday, September 9, 2014. The meeting will be held at the Board of Regents for Higher Education.

7. Motion to Adjourn

It was moved by Mr. Broomall, seconded by Ms. Carlson and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:35 A.M.